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SUBJECT: TOKYO MEDIA REACTION - FINANCIAL CRISIS

¶1. LEAD STORIES: Most Monday morning papers gave top play to the agreement between the U.S. and EU to hold an emergency summit involving G8 members and emerging economies early next month in order to discuss how to deal with the international financial crisis.

¶2. "Concern about U.S., Europe Vying for Initiative" On the planned emergency summit on the financial crisis, the liberal Tokyo Shimbun wrote (10/20): "A review of the international banking system is likely to top the agenda. The Europeans are insisting that the U.S.-centered economic system, which Washington propped up using the dollar, is responsible for the ongoing crisis. The U.S., however, is certain to strongly oppose an overhaul of the current system. There are fears that the summit will become a venue in which the U.S. and Europe fight over control."

¶3. "Summit to Discuss Enhanced Regulations, Supervision" A Washington correspondent for the liberal Asahi wrote (10/20): "As the U.S. and European countries have already committed a huge amount of public money to deal with the financial crisis, the political cost for the leaders will be too great to bear unless they put forward the basic principle of enhancing regulations and implementing thorough measures to prevent a recurrence of the crisis.... Behind French President Sarkozy's proposal of holding the summit in New York, the 'global financial capital,' lie European hopes of altering America's market-first doctrine and staging the meeting as a political show."

¶4. "Emergency Summit May Backfire and Worsen Market Chaos" A Washington-based reporter for the conservative Sankei wrote in a front-page analysis (10/20): "The G7

has just launched a package of concrete measures to deal with the financial turbulence, including the injection of public money (into ailing financial institutions). If the planned summit fails to issue a stronger message, it runs the risk of disappointing market players and aggravating market turmoil."

SCHIEFFER